

SUMMARY

BALTIC PIPE WORKSHOP ON AUCTION PLATFORM

TIME: 5 DECEMBER 2019

PLACE: ENERGINET, BALLERUP OFFICE

Participants: Eniig Modity PGNiG SA PGNiG Upstream Norway RWE SEAS-NVE Total Ørsted PEGAS – observer Danish Utility Regulator – observer GAZ-SYSTEM Energinet Gas TSO

Agenda: The participants had received the agenda (5 question) beforehand

- 1. Has your company used one or both of the two considered platforms i.e. PRISMA or GSA Platform and what is your company experience/view on the usage of the platform(s)?
- 2. Which criteria in terms of usage of the platform are key from your company's point of view and why?
- 3. What is the preferred <u>data exchange solution</u> for capacity trading processes in communication between your company's back-end system and the capacity booking platform? (Acc. to art. 21 of IO NC there are three data exchange solutions: Interactive, Document based, Integrated)?
- 4. Which <u>criteria</u> should the two TSOs base their <u>choice of platform</u> on for the common IP from your company's point of view?
- 5. Which of the two platforms is the preferred platform for the allocation of capacity at the common IP from your company's point of view and why?
- 6. Other remarks



Energinet Tonne Kjærsvej 65 DK-7000 Fredericia Tel: +45 70 10 22 44 Company No. 28 98 06 71 GAZ-SYSTEM S.A.

ul. Mszczonowska 4 02-337 Warsaw, Poland Tel. +48 22 210 18 00 www.gaz-system.pl



Co-financed by the European Union European Energy Programme for Recovery GAZ-SYSTEM and Energinet did send an email to the registered participants of the workshop on the 27 November 2019. The five questions above were listed. Additional remarks are grouped under point 6 other remarks. The email had the following introduction:

"European regulation (CAM NC, Article 37) states that "capacity at any single interconnection point or virtual interconnection point shall be offered at not more than one booking platform but a transmission system operator may offer capacity at different interconnection or virtual interconnection points through different booking platforms. "This means that GAZ-SYSTEM and Energinet should agree on a single capacity booking platform at the new, common interconnection point (IP) between Poland and Denmark (capacity of other interconnection points of the involved TSOs will continue to be auctioned on the currently used booking platforms). The TSOs are in a discussion on the choice of capacity booking platform for the new, common IP. As part of this process we appreciate if the shippers are willing to assist with their input, experiences and views."

The following comments were noted at the workshop, here grouped under the heading where it is considered most appropriate:

- 1. Has your company used one or both of the two considered platforms i.e. PRISMA or GSA Platform and what is your company experience/view on the usage of the platform(s)?
 - One shipper had experience from 3 platforms
 - Some shippers had experience from 2 platforms
 - A. One shipper mentioned that he preferred the GSA Platform due to:
 - Efficiency / service load
 - Graphical user interface
 - Preference for Edig@s and AS4
 - Polish language/Polish Interface
 - B. One shipper mentioned that he prefers using PRISMA, it is his main platform today and will be more efficient for him
 - C. One shipper mentioned that he preferred using PRISMA, as he found PRISMA to be more transparent and user friendly than GSA Platform
 - Some shippers had experience from 1 platform

2. Which criteria in terms of usage of the platform are key from your company's point of view and why?

- A. One shipper mentioned: Platform with:
 - Edig@s
 - AS4
 - Polish language
- B. One shipper mentioned: The platform that offers most markets (IPs) and capacity auctions in the European gas system.
- C. Same shipper: Another important criterion for an European platform is that the support and service is in English.

- 3. What is the preferred <u>data exchange solution</u> for capacity trading processes in communication between your company's back-end system and the capacity booking platform? (Acc. to art. 21 of IO NC there are three data exchange solutions: Interactive, Document based, Integrated)?
 - A. One shipper mentioned
 - Edig@s and AS4
 - Secondary solution, just in case
 - B. One shipper mentioned Interactive, maybe integrated, but not document base.

4. Which <u>criteria</u> should the two TSOs base their <u>choice of platform</u> on for the common IP from your company's point of view?

- A. One shipper mentioned cost structure. Important that the selected auction platform was regulated as to have control of the cost level. The GSA Platform is regulated by the Polish NRA (as it is owned by GAZ-SYSTEM which is the entity regulated by Polish NRA).
- Comment from Energinet at the meeting: Energinet currently uses PRISMA for the Ellund IP. For the Danish regulator to accept Energinet's cost of using the PRISMA capacity auction platform, the costs need to be deemed as 'necessary and reasonable'.
- The shipper replied that it does not mean that the booking platform is regulated.
- B. One shipper mentioned that the costs was not so important for him. Other topics are more important.
- C. One shipper: A platform that offers many markets (IPs) is enabling bundling to a higher degree, which also is important for the utilization of capacity on IPs across Europe.

5. Which of the two platforms is the preferred platform for the allocation of capacity at the common IP from your company's point of view and why?

- A. One shipper preferred GSA Platform for the reasons mentioned under point 1. A.
- B. One shipper mentioned he does not want a third platform.
- C. No shipper had preference for the Hungarian capacity platform called Regional Booking Platform (RBP).
- D. One mentioned PRISMA because it is a strength that PRISMA is owned by the TSOs to ensure that there is a direct relation between the owners of the platform and the owners of the capacity offered at the auction, rather than platform with few owners or with purely commercial interests.
- E. One shipper mentioned, he had experience from both, and preferred PRISMA.
- F. One shipper mentioned he wanted both points i.e. between EPII and Denmark and the new IP between Poland and Denmark to be on PRISMA. With PRISMA at IP Faxe it is not possible to get capacity at the PWP (connection with Jamal pipeline market area) and further IPs to other market areas (e.g. Ukraine) without being on the GSA Platform. Whereas with PRISMA at IP Faxe it is possible to trade only on the Virtual Trading Point in the Polish national grid market area without a need to be on the GSA Platform.
- G. One shipper mentioned PRISMA, as PRISMA is biggest, most shippers will already be on the PRSISMA platform.

6. Other remarks:

- A. A secondary market for capacity is on both the GSA Platform and PRISMA platform.
- B. The Polish shippers that were present were active on both GSA Platform and PRISMA. GAZ-SYSTEM said there are some local shippers in Poland which are only active on Polish market, so they use on the GSA Platform.
- C. One shipper mentioned that he preferers an agreement and not ad administrative decision where ACER selects the Hungarian platform.
- D. One shipper mentioned that he would like to have one capacity booking platform on a whole Baltic Pipe route and one pan-European capacity platform in order to reduce complexity and IT costs.

E. One shipper had a comment on making the entire process from EPII to the new Polish-Danish IP as easy as possible, e.g. by using the same capacity platform on a whole route from Norway-Denmark-Poland.